3217-12

28 JUL 1972

MEMORANDUM FOR: Deputy Director for Science and
Technology

SUBJECT: OSI Contribution to the OMB's Management
Review and Improvement Program

REFERENCE: Executive Director - Comptroller's
3 July 1972 Memorandum: OMB Circular
A-44 (Revised) dated 24 May 1972 --
"Management Review and Improvement
Program"

Attached is the OSI contribution to the Directorate
management review and improvement program report. We have
reported on two report sections of the OMB Circular A-44,
Section IV on ADP improvements and Section VI on productivity
improvements. We believe these two are areas in which OSI
has accomplished or plans to accomplish cost reductions and
improve management.

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DONALD F. CHAMBERLAIN
Director of Scientific Intelligence

Attachment:
As stated above

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ATTACHMENT

Section IV - ADP Improvements

1. Significant improvements in the performance level of a program or function as a result of using ADP capability.

    a. Planned for current year.

        OSI in cooperation with OCS and the Printing Services Division (PSD) will, in this year, employ a unique ADP system for computer processing of publications from the initial draft to final printing. The system, the SCRIPT-EPIC, gives promise of saving considerable publication processing time. An OSI draft publication will be entered on a computer terminal, edited in the terminal, then converted to an EPIC file which drives the PSD Photon composing machine which produces pages to be used for offset printing.

        At present, terminals have been ordered for OSI's four divisions. Typists are being trained in their use. While it is too early to determine the full extent of the savings to be realized, we estimate that publication typing and proofing time will be reduced by about one-half over the non-ADP preparation now employed. One obstacle has emerged, however. The time sharing OCS computer employed has become unstable and slow when many terminals are in use. Time and cost savings depend on the correction of this problem.

Section VI - Productivity Improvements

2. Significant improvements in the productivity of Government operations achieved in the past year.

        In FY 1971, OSI established a Contract Review Panel (CRP). The Panel functioned in an advisory capacity to the Director of Scientific Intelligence to ensure that:

a. A greater number of qualified contractors are permitted to participate in the submission of proposals for OSI contracts to the extent necessary to ensure adequate competition and to obtain the most advantageous proposal for the Agency.

b. Exceptions to the competitive requirements of negotiated procurement when letting OSI contracts (that is negotiation of a contract with a "sole source") are justified.

c. OSI Project Officers use appropriate criteria in evaluating and selecting contractors.

During FY 1972, the CRP, made up of the Executive Officer, OSI, the four OSI division Executive Officers, and the DD/S&T Contracting Officer reviewed proposals on 28 contracts. The justification for "sole source" contracts and the effort to pick the most qualified contractors were stressed. In the latter case, considerable stress was placed on selecting contractors in the immediate area or on the East Coast in an effort to facilitate OSI's contract management. Close proximity of the contractor allows more frequent face-to-face meetings between the Office project monitor and the contract people. We believe this will lead to a better, more pertinent product than in cases where the contractor's base is far away and direct contacts are less frequent. While this may be difficult to do, we intend to attempt to prove (or disprove) it in the course of this Fiscal Year.